

Original Paper

Between Religion and Economics: Towards a Shift of Paradigm in Early Modern Economic Literature

Eleonora Belligni^{1*}¹ Department of Historical Studies, University of Turin, Torino, Italy

* Eleonora Belligni, Department of Historical Studies, University of Turin, Torino, Italy

Received: April 30, 2019 Accepted: May 15, 2019 Online Published: May 21, 2019

doi:10.22158/jrph.v2n1p79

URL: <http://dx.doi.org/10.22158/jrph.v2n1p79>**Abstract**

At the beginning of the early modern age, philosophers, religious and political thinkers writing on economics had to deal with categories that were still based on the religious certainties of the medieval West, and with a paradigm built on Aristotelian dialectic between oikos (the family economy) and chrēmata (wealth). From this frame, articulated and innovative investigations on the contemporary economic world were born in the late Middle Ages of Europe: but up until the late seventeenth century, at least, the Aristotelian paradigm remained a rigid cage for most of the writers. Yet, both the impact of some theoretical work on the relationship between religion and economy, and some significant changing in European scenario started to break this cage. Evidence of a shifting of paradigm could be detected even in Counter-Reformation authors like the Italian Giovanni Botero.

Keywords

religion, economy, early modern, economics, reason of State, wealth, counter-reformation, mercantilism

1. Introduction

Along with the separation between religion and politics, the scission between religion and economy represented a focal point in the early modern Europe process of secularization (Note 1). Although the proper emancipation of the political economy from the tradition dates back to the middle eighteenth century, its symptoms began to appear in the sixteenth and seventeenth, when some authors, though with different awareness and intentions, set the foundations of a paradigm shift on this ground. In the scenario marked by the great geographical discoveries, which irreversibly modified the parameters of the world economy, by the Protestant Reformation, that altered the foundations of Christian universality, and by the rising of the great European monarchies and early modern State, economic matters found

new spaces of unconventional reflection. Those ideas, accumulating in a slow progression, were not meant to challenge frontally the dominant conception, and nevertheless were able to reveal current anomalies and to anticipate issues, solutions and dilemmas.

It should be noted that, at this early stage, the novelties did not affect the internal core of the economic doctrine, on which rested the dominant Aristotelian-Thomistic paradigm. The basic beliefs concerning the vision on man and society, the value and the cognitive foundations of the economic ideas, and the moral principles, considered as self-evident and non-negotiable: these are the deep core beliefs which proved to be more resistant to anomalies and cognitive dissonances. Instead, innovative thinking rather invested the level of secondary beliefs, the ones concerning specific and sectoral goals: the cause and effect relationships between determined phenomena, the optimal institutional set-up, the choice of the most suitable and most effective instruments to obtain certain economic effects. Those are called the policy core beliefs (Note 2).

In short, the change that emerged was an incremental one, which proceeds through marginal revisions, sectoral and local inputs, small shifts and adjustments that gave rise to negative feedback, in itself destined to be reabsorbed in the status quo of the overall economics doctrinal system (Note 3). Only decades later, the major contributions given by Scottish Enlightenment were able to determine positive feedback, which led to the paradigmatic turn of the classical political economy.

In the first part of this paper I analyse briefly some of the most relevant processes of transformation which affected both the relationship between the economy and religion, and what can be called the pre-history of economic thought. In the second part, I consider how these changings were read by some writers according to the ancient Aristotelian paradigm, then how they witnessed and how they gradually led the economic thought to a proper shift of paradigm at the beginning of early modern age. At the end, I try to examine how the works of the Italian Giovanni Botero about religion and economy could be interpreted as one of the very first evidences of this shift of paradigm.

2. Economy and Religion after the Middle Ages

In early modern age, big signs of the transformation of the world economy were to be found. At the same time, there is no doubt that from the end of the Middle Ages to the contemporary period, different and unexpected forms of equilibrium were reached between the economy and religion. Of the major elements of change which marked this time, only some can be taken into consideration here as examples of this renewed relationship.

The most important ones, and those most celebrated by historiography, were the voyages of discovery that involved the Iberian Peninsula in the fifteenth and sixteenth centuries. If religion also played a role in the advance of the Portuguese into Africa round the Cape of Good Hope, where the search for profitable commercial enterprise was bound up with the pursuit of a route to the Holy Land, the case of Spain was possibly more significant. The discovery of the New World by the Spanish, which was not merely driven by economic and religious needs (the Reconquista, which merged with the Iberian

Peninsula's need for commercial expansion), led to the creation of new legal institutions of a mixed political and religious nature, very similar to those that had been produced in Europe by the feudal system, of which the *encomienda* and the *repartimiento* were the most well-known. In the Americas new productive relations were created on a religious basis: manpower was offered (as the Spanish saw it) in exchange for salvation, or rather there was a crude exchange between labour and divine retribution, a latter-day equivalent of the centuries-old practice of the sale of indulgences.

The first consequence of this situation was the difference that was created between the Spanish colonies and Europe, both in the labour market and in the market for goods, even though both obviously worked in a relationship of mutual dependence that was to last for centuries. The second was of course the enormous influx of precious metals: the age of silver was to a large extent a Spanish phenomenon which, in the imagination of the Old Continent, came to take the place of an age dominated by an obsession for the gold from Mali. In the course of a couple of decades, the voyages of discovery and their economic consequences transformed the European panorama—not only in terms of monetary exchange and finance—making it dependent to some extent on the vicissitudes of Spain and those, like initially the Genovese bankers, who took advantage of its so-called bankruptcies. Put to the test by the New World was also the concept of greed (*avaritia*), a Christian passion and vice taken as a category for interpreting economic transactions, which underwent a slow transformation, even though it never lost its negative sense.

Christians searched obsessively for *Eldorados*; Charles V took out loans with bankers to gain his title: the Catholic world was *cupidus*, greedy for money but also for forgiveness. Interest—understood as a positive passion—had not yet arrived to undermine the surprising moral force of Christian universalism, a force which not only demanded *Reconquistas* and held back social mobility, but one that sanctioned, for example, the right of Spain (the heir to the Empire) to dump all its government bonds (*juros*), with virtually no market value at all, onto its creditors. Could people be greedy, *avari*, and good Christians at the same time? Centuries earlier this would have been an insoluble antinomy. Now it was a mere contradiction. In order to cope with their financial needs, many States appealed to the royal prerogative: a king's legitimate right to use force not only within his own borders (with occasional recourse to monopoly), but also abroad, on the loan market, often transforming debts with bankers into a practice for insolvency. The popes acted on analogous grounds, exploiting their links with the Italian bankers and the powers of taxation of the Catholic church. The lack of rigour of some of them led to the bankruptcy of entire chains of bankers, especially family banks: Leo X with the Roman Banco dei Medici is the most obvious example.

The second element took place at the same time as the voyage of Columbus, coinciding with the last phase of the Reconquista, and it concerned the Sultanate of Granada and, as from the same year, another strong move against religious minorities in the Iberian peninsula (first the Jews and then the Muslims) by the united crowns of Aragon and Castile. The sudden political ultimatum, with forced conversions or exile, brought havoc to a good part of the Spanish market for goods (from agriculture to

building and trade) and to the labour market. After 1492 the Semitic people (conversos and Jews) involved in trade, who made up an important part of Spanish investors on the domestic but also the foreign market, went to live elsewhere taking their capital and their pluri-generational vocation for trade and finance. In the meantime, the conversos alone, who in the last century had become nobles of the robe, functionaries and administrators of the two crowns and representatives of the middle and high converso clergy, found themselves in a period of a few decades having to leave the country or resist the haemorrhage of money and status that came with the scrupulous inquiries of the young Spanish Inquisition on the Jewish practices and their *limpieza de sangre*. The Muslims, of old faith or *moriscos*, underwent the same fate, although, in Castile at least, they came from a much lower social position. In this rapid policy of expelling supposed dissidents or enemies, those who remained reorganised themselves into a resistant minority which lost any competitive advantages they may have had on the labour market, the market of goods and public offices, and, certainly, on the loan and financial exchange markets. It was a great blow to Spain, mitigated within several decades by the arrival of Spanish silver. This strategy of religious homogenisation quickly revealed its negative economic impact on the nascent unified monarchy: a mistake which, several decades later, writers of proven Catholic faith could not help but point out.

The force of intolerance which destroyed or coerced entire generations of prelates, public officers, and faithful vassals of the crown, assistants and creators of the Iberian kingdoms; which humiliated the circulation of goods, money, and the labour force; which destroyed the alliance between sovereigns and various generations of intellectuals, forcing them into hiding (after a last swan song after Charles V) was, without doubt, a good example of how religious issues could heavily affect economy.

There was a third element of novelty situated from approximately the 15th century to the beginning of the 17th century. It was an economic phenomenon which, from the decline of the commercial predominance of the Italian republics and the Hanseatic cities, saw the rise and then the fall of the city of Antwerp, which consolidated the Atlanticisation of the exchanges of goods and labour, and, at the same time, the rise of a “financial capitalism” which still passed through Genoa and Lyons (Note 4). It is a story in which the role of the nascent Protestantism in defining the ethics of the economy of the capitalist market still has to be demonstrated. What is certain, however, is that in this period the legacy of Catholic ethics of the 14th century was still influential, an ethics outlined by the Franciscan school of thought into the categories of the common good, the division of labour, and free enterprise (freedom from constraints and concessions), an ethics that for Catholic economic historians was responsible for inventing, not markets, but the market economy. Old categories (coming from those of Aristotle to the Fathers and the Scholastics) were maybe combined in a different way, but they were nevertheless the theoretical base of the sixteenth-century market and, in the margins at least, of financial exchange. It is also true that Scholasticism probably provided those few elements of intellectual innovation one can find in the treatises, the pamphlets, and the dialogues which form the prehistory of economic thought.

It was, however, on the level of economic practice and behaviour that the Protestant Reformation brought significant innovation linked to the management of capital and investment. Specifically, the intensification of financial investment in religion and the movement of capital was a phenomenon which also involved the Catholic Church, but was fundamentally determined by inter-confessional competition after the Lutheran schism. While Rome had to resolve the problem of having entire regions expropriated and the sudden loss of benefices and rights to taxation removed from its control, the Protestants had to survive in a Europe which was still for the most part Catholic. Of course, their organisation required money: in some cases, it was money which could not be paid back, in others lending had to correspond—in the short or long term—to military action, with the aim of conquering or recovering lands or assets. As is clear in the case of François I of Valois, huge loans did not always come from members of one's own church or one's own religion. The "Most Christian King" could materially support the Protestants and, in some very particular cases, even the Ottomans.

Apart from François I's money, from the 1520s to the end of the century in France, as in Italy and the Empire (and even in the lands of Eastern Europe), new models of religious patronage were spreading. Classical patronage, based on territorial sovereigns, has long been studied as the preferential tool for consolidating power, used by sovereigns to ensure the long-term collaboration of the nobility of the Sword and the nobility of the Robe. In the sixteenth century, the Habsburg kings and emperors intensified the distribution of roles, titles, benefices, and assets, something that guaranteed a certain degree of social mobility within the nobility itself. It has been demonstrated to what extent inclusion or exclusion from the mechanisms of court patronage was influential in exasperating religious divisions; and to what extent the link between patron, broker, and client consolidated religious identities (not only for reasons of economic interest). The escalation which led Bohemia and the Empire into the Thirty Years' War was also the degeneration of the struggle for revenues from positions.

But heretical patronage was something different from classical patronage and even from the protection exercised in the past by feudal lords towards those belonging to the same religion (the Cathars, for example). It was a sort of patronage that connected economic interests to religious ones, in which the patron's job was to find work, offices, and resources or, alternatively take responsibility for directly supporting people, intellectual circles, individual and collective editorial works, or veritable tours of heterodox preaching, not to mention escape, exile, transfer, and even acts of espionage. When they espoused the Protestant cause, the great nobles made this phenomenon the linchpin of proselytising. France transformed it into a customary practice, above all when endemic conflict turned into civil war. It was also a female phenomenon: throughout Europe, high-ranking ladies, who were not infrequently feudal lords—devoted time and personal resources, taking them from their great patrimony of lands and moveable goods, to allocate money or transfer lands and holdings to their heterodox clients. Their aim was to ensure that their followers could survive, but also to extend their own influence over a vaster territory.

Even the bankers from Lyons, often of Tuscan origin (like the Burlamacchi or the Panciatichi) or French in a consortium with Italians, lived in a context of networks of heterodoxy, and contributed with their not insignificant means to their prosperity. They applied favourable interest rates—or made loans which would not be repaid—to those who seemed to be in conflict with the Roman Church and, at the same time, could show they might be useful to the cause, such as the Brucioli family of typographers. Some of these banking families were able to proselytise and run heterodox networks. In these not infrequent cases the “subventores” could carry out two functions: the heterodox broker and the financial broker on entrepreneur.

It must be noted that only on rare occasions was religious patronage a truly profitable investment, because it responded to needs that were not strictly economical. In general, as we know, Protestantism was only a good investment for those political realities that chose to embrace or to tolerate it, from Henry VIII onwards. Like the naive indios of the Caribbean described by Las Casas, or the purchasers of indulgences, the patrons of the heterodox invested in an immaterial capital. They found themselves exchanging resources, goods, and services for a spiritual cause: not individual salvation, like their competitors, but basically triumph over the Antichrist, identified as the pope and his Church.

In the meantime, the Church of Rome had to differentiate its investment in human resources compared to the past, but also to deal with a reduction in its monetary income into the papal treasuries. Its liquidity and the revenues on its assets were considerably drained, even though, thanks to the informal way in which the renaissance popes administered papal finances, it was difficult to quantify the loss even from the beginning. Moreover, there was an intensification of the movement of money, something that before the Reformation did not have the same relevance it now took on: one of these movements was certainly the reorganisation of the system of confiscations and expropriations *religionis causa*, which took place alongside the trials of the Inquisition. Another was the movement of movable and immovable goods around the new institutes of perfection, made up of alms, bequeaths, and donations which were probably also requested during the missionary campaigns, in and outside Europe.

Another factor of innovation can be taken as an example of how new perspectives were being outlined in this century in the relationship between the economy and religion: small realities, failed experiments, often violently repressed or kept at least in the margins of civic society, even in Eastern Europe. These were mostly utopias which were created in contexts limited in time and in space: from the dream of Thomas Münzer, which arose from the Peasants' War, and from the attempt by Matthysen, Rothmann, and Knipperdolling to create a “New Zion” in Münster (1536); to the community of the Anabaptists, who were persecuted by the Catholics and the Reformed, and who fled to the East. These were extraordinary adventures, which were inspired by older forms of communitarianism to put into practice (and obviously prescribed) the holding of property in common. In truth, property itself was understood as a particular form of the rejection of the logic of political authority. Nevertheless, the Anabaptists, the Socinians, the Antitrinitarians, and all those who took part in the religious radicalism of the sixteenth century, even though it had been generated by the spores of Augustinism, revealed themselves to be

more Aristotelian than Aquinas himself in their appreciation of the doctrine of the *bonum commune*, and their struggle against economic individualism, including the practice of usury.

3. Oikos e Chrèmata: The Aristotelian Paradigm

The period from the fifteenth to the beginning of the seventeenth century constitutes as sort of pre-history of economic thought, which preceded the era in which mercantilism established itself in the theory and in practice. Even felt by common sense, the great changes that overtook the old and new worlds struggled to find a place in the intellectual production of the time.

Despite this, a place existed which was at times crowded with people and ideas, and, for this reason too, rather chaotic. On one hand, monographs were written which tended to divide problems of an economic nature (deep core issues) into more specific questions (policy core issues): exchange, hoarding, the quantity of metals, the question of money in circulation, inflation, the trade balance, and the use of the labour force. On the other, in academic contexts, in intellectual debate, or in works written for rulers, the conflicts and controversies seemed to win over the affinities in thought and hamper the formation of schools or currents of thought. In disputing the reasons for inflation, for example, Jean Cherruyt de Malestroict and Jean Bodin opened up the way for quantitative theories of money (Note 5); but it certainly cannot be said that their reflection gave rise to a school, even though, from the 1580s, they were quoted and re-elaborated by John Hales, Bernardo Davanzati, and Antonio Serra (Note 6). When we speak of the treaty writers of Salamanca, on the other hand, we often consider them—and they are known as—a school. They were certainly not, however, a school of economic thought, which remained a secondary (though surprisingly sophisticated) aspect of their theological dissertations.

At the beginning of the modern era, in reality, many considerations of an economic nature took the form of occasional and marginal contributions within discussions of some other subject. What is more, those who wrote on economics—who were not economists by profession and often not even by vocation—had to deal with categories that were still based on the religious certainties of the medieval West, and with a paradigm built on a dialectic contrast, of Aristotelian origin, between *oikos* (the family economy) and *chrèmata* (wealth). In late medieval Europe this paradigm gave rise to articulate and innovative research in the economic world (Note 7); but it is also true that up until the fifteenth century at least, it imposed itself as a rigid structure for most theories and theorists (Note 8).

Two considerations stand out when we consider the relationship that existed in this period between economic and religious thought. The first is the fact that, if the link between the economy and religion was still solid, what was true for practice was even more true for theory. The sixteenth century was a world in which religious uniformity prevailed, even in the variety of confessions, and where politics was still required in most cases to protect it. In this phase, this condition was not rejected by anyone: certainly not by the Calvinists, the *politiques*, or the Monarcomachs, even though the reasons and the ways they used to appeal to religious uniformity were obviously different. There were more than a few

individual voices in purely numerical terms, but they were marginalized, systematically persecuted, or forced to live in small reserves where, for brief periods, religious tolerance or jurisdictionalism seemed to prevail.

The principle of religious uniformity affected the market and those who wanted to reflect on it had to take this principle into consideration. In a continent which was basically busy maintaining (or recovering) ecclesiological and doctrinal conformity, or even repressing religious dissent, it was unlikely for economic doctrines—or even traces of some future current of thought—to explicitly proclaim a desire to free themselves from the theoretical legacy which was at the basis of European culture: that is to say, that of Aristotle, interpreted by Thomas Aquinas, which, with many further adjustments, had reached the phase of late Scholasticism. It was only in the margins that theory could follow the transformations of the economic world, in order to find remedies or to be held up as an example. The path seems to have been firmly set out.

The second fact that emerges does not contradict the first, but completes it. Confessional homogeneity was pursued within the Nation States, where it still constituted the norm; but competition between confessions and religions was a fact that could not be avoided. Even those who theorised a strong alliance between throne and altar—mostly in Catholic countries—were forced to consider religious ferment in Europe, the new anthropology of the New World, and the proximity to Islam, which was taking on new shapes and new proportions. They were forced to come up with innovative solutions, even in economic terms, which could mediate between the Aristotelian tradition and the new conditions created by the market. This is the case of religious figures such as the Benedictine Juan de Medina (Note 9), some of the theologians of Salamanca (Note 10), Spanish mercantilists such as Luis de Ortiz (1558) and Sancho de Moncada (1619) (Note 11), and Catholic authors of treatises such as Antonio Serra (1613) and Antoine de Montchrétien (1615) (Note 12).

This is true above all of what we could define as the “ethical mercantilism” of Giovanni Botero, the Italian treatise writer who, although he was a standard bearer for the Milanese Counter Reformation lead by bishop Carlo Borromeo, devoted space to the reasons for the new economy within political literature known as “Reason of State” (Note 13). He literally created space: by including the books *Delle cause della grandezza e della magnificenza delle città* (1588) in his most famous work, *Della ragion di Stato* (1589) (Note 14), the ex-Jesuit granted economic thought not so much the dignity of a secondary science, as that of an essential pillar of politics.

But how was the previous tradition to be handled? Reason of State rejects Aristotle’s anthropological assumptions just as much as the considerations of the Mercantilists did, or so it would seem. If man is a political animal, then we must also consider that he is a greedy and competitive animal which the State must contain. Yet it is a fact that as late as the early modern age, the entire known (economic) world resided in the Aristotelian paradigm, and not undeservedly. Aristotle understood the economy as a minor discipline, which only concerned the behaviour of individual social actors, but he was not without moments of insight that were to be of value in future centuries (Note 15). Some of these in fact

turned out to be brilliant. Thomas Aquinas re-formulated his analysis: the Middle Ages went back to talking about the production of goods and services, the use value and exchange value of goods, private property compared with common property, just price and just reward, the costs of production and labour costs, commutative justice in the exchange of goods and money, and the *impositus* (conventional) value of money and its nature as a fungible good (“used” at the moment of transaction), which can be loaned and given back, but without interest (Note 16). But Aquinas did not fundamentally believe that scientific propositions with a universal validity could be derived from economics, nor did he think that individual commercial acts had any ethical or political dignity in themselves. It was the least noble side to the political animal (Note 17).

Even after feudal bonds and civic humanism had disappeared, Aquinas’s doctrine continued to last, threatened only by a few Ockhamist nominalists like John Buridan (Jean de Buridan) or Nicholas de Oresme (Note 18)—who wrote against the conventional value of money, not always reaching the same conclusions as their colleagues. In the body of Christendom, the economy was always ready to be transformed into a necessary evil, a burden, a potential enemy of salvation, besides the *bonum commune*: the sin of avarice, the double evil of natural *chrēmata*, with the accumulation of wealth through trade and usury; prodigality in its genetic modification, that is to say, usury; and the nightmare of luxury which spread throughout Europe in cyclical waves and was converted into norms and sanctions.

It did not matter that the doctrine of *damnum emergens* attempted to justify interest (not usury) on money lent; nor that the nominalists argued for the real and relational value of money; nor even that, as early as the 14th century, a certain Christian tradition sanctioned free enterprise. Beyond the borders of Umbria and Tuscany, outside the university classrooms or the studies of the protonotaries or royal bureaucrats, the dominant doctrine still spoke the language of the Christian virtues: temperance and prudence, in short, containment. Beyond all the functionalist considerations about their origins, these Christian dictates, although largely disregarded for centuries, had a strong prescriptive value even in the early modern period. It would be better to say that, while innovation was given space within Catholicism itself, the paradigm, albeit corrupt, remained. The international market of goods and finance was born and it prospered, the descriptions of the real world changed, utopias blossomed on the pages of books and in the countryside in the margins of Europe; the prescriptive corpus, however, remained as it was, solid and untarnished (Note 19).

By harmonising old categories and new perspectives, the clerics were the first to attempt to deal with the new that was advancing. At times they did this with surprising, almost anachronistic creativity. As early as the fourteenth century, the Franciscan Francesco da Empoli wrote a defence of the profit that an investor can derive from government bonds. Antonio Pierozzi (St. Antoninus of Florence), although he did not ignore his duties as a doctor of the Church, spread the fertile seeds of a theory of the value of goods (Note 20).

But in general, in the sixteenth century, it was still difficult for those who were spectators of the changes that were taking place to translate what they could see into new forms of reasoning, new consequences, and new proposals. A big hurdle was only overcome in 1615 when, in his *Traité de l'oeconomie politique*, Antoyne de Montchrétien declared that the object of this science was not the family, but the State (Note 21). On this point, not even Jean Bodin had dared to make a distinction (Note 22). Starting from a description of the real, we begin to see the proliferation of prescriptions which attempted to free themselves from the legacy of the *specula principis*, espousing the logic of the literature of the “Reason of State”. Here we find first attempts not to apply the paradigm, in alignment with the “state of exception frame” that is typical of this literature (Note 23): Europe, caught between the world-system and great political and religious change, perceived a situation of emergency, preceded by the proliferation of false prophecies and true warnings (Note 24). In a couple of centuries, every kingdom and republic had to deal with exchange rates, double-entry book keeping, the birth of insurance companies, the stock exchange, policies to administer the national debt, and the market for State bonds; and they also, obviously, had to hold speculation at bay with remedies and corrective measures (such as the application of the Tobin tax *ante litteram*) (Note 25). Writers recorded that, in the late medieval and early modern period, the language changed and evolved, and there was a transformation in the methods and tools used not only to explain but also to manage economic behaviour (Note 26).

4. A Crisis in the Aristotelian Paradigm

Political writers and economists of the centuries that followed stigmatized the inability, and sometimes the naivety, of those who had written about economics in the early modern age. In truth, their remarks were aimed at that current of thought known as Mercantilism (Note 27). They constantly attributed it with recurring mistakes in the interpretation of the commercial, financial, and productive life of the early Nation States. Following the lines established by Quesnay and Mirabeau and then David Hume, Adam Smith, and Stuart Mill (who in reality only had Colbertism in mind), the need was established to make Mercantilism a polemical point of reference. It was accused of a harmful monopolistic attitude to individual trade and, above all, an unjustified worship of money. It is notorious how John Stuart Mill, who despised satisfied pigs (Note 28), described mercantilists as those who confused riches with money, just like King Midas, who actually was known to have died like an unsatisfied pig, a category that Mill himself had not taken into account. In reality, none of the Physiocrats or the Liberalists really wanted to reflect on sixteenth-century economic theory. They all revealed instead, albeit from different perspectives, the need to turn into a stereotype puppet the theoretical enemy: the bullionist, the monopolist, the fanatical supporter of hoarding, even before the mercantilist (Note 29).

Looking at the 16th and the early 17th centuries, it is clear that there were more than a few insights on the theme of economics, and that neither mercantilism nor the theologians of Salamanca, nor even the occasional writers on economics limited themselves to tired repetitions of Aristotelian theories. In the

meantime, it is likely that the critics of mercantilism probably did not fully comprehend its nature, even before they made any ideological opposition to its precepts and measures. It was not in fact a systematic current of thought as much as a small, changing, protean, community of discourse, which was inspired by the writings of its predecessors, by government requests for consultation and, above all, made of reflection which ensued from a context which was dramatically enlarging its borders and changing its political, economic, and religious appearance. Mercantilism spread from the first decades of the 14th to the first decades of the 18th century: more than a homogeneous school of economic thought, it represented a long period of experimentation, which started with the considerations of the bullionists and ended with the emancipation of political economics from political and moral philosophy of classical Christian origin (Note 30).

In its margins was a school of an academic origin, which looked to the situation in Spain in the period from Charles V to Philip II: this was the Salamanca group of theologians of Late Scholasticism, who (brilliantly) proposed adapting Aquinas to the economic conditions of the time. They were figures of international significance, from Doctor Navarro (Azpilcueta) to the famous Molina, Vitoria, Suárez, Mariana, de Soto, and Bartolomé Carranza. But there were also figures that were difficult to place, such as Jean Bodin, and the Italian Giovanni Botero.

Their tools of analysis were still imprecise, often borrowed from other disciplines, and often still those of Christian doctrine. Unlike the doctors of Salamanca, the mercantilists were often not academics: they were active in trade, merchants, jurists, or bureaucrats in public administration. Even when they were professional intellectuals (philosophers, men of letters, or theologians), they tended to evaluate economic problems as a set of practical requirements, besides their general theoretical descriptions or visions. The Spanish men of religion such as Luís de Molina and Martín de Azpilcueta created an organic discourse which was religious, social, and political, even before it was economic. What is more, it is difficult to separate their observations on private property and their “relativist” theory of value from their opinions on the theme of grace and free will (which, much more than the former, they unleashed against the Jesuits of Catholic Europe) (Note 31). On the other hand, the mercantilists—often an expression of the emerging classes—were paid or received incentives to provide governments with consultation in order to obtain or to avoid certain measures and, often, to represent the interests of certain categories.

With these considerations in the background, there still remained the Aristotelian problem of the *bonum commune*. In some way, a certain part of the sixteenth century tended to identify it with the availability of money. The bullionists, the cameralists, and all the supporters of hoarding were not wrong to hold that, at the dawn of the formation of sovereign States, money determined wealth and power, but they had not yet tackled the problem of whether it should be used to increase “the Wealth of Nations”. The theorists who followed on from the bullionists concentrated on their prescriptions, which presupposed a positive link between the internal circulation of money and the health of the tax system. Among their suggestions was the idea of rigorously prohibiting the export of metals; increasing the purchasing

power of foreign currency; imposing payment in goods for imports; and balancing the transaction of goods coming in and out of the country, a provision which was used above all in Spain. Moreover, their writings reveal the fear that the loss of precious metals resided in the disparity in currency exchange, which happened when money was counterfeited, removing the precious raw material from it (Note 32). The most innovative explanation calmed the worries of Elizabeth I, with the formulation of so-called “Gresham’s Law”, conceived in reality almost two centuries earlier by Nicolas de Oresme and subsequently re-defined by Copernicus (1519)(Note 33). It demonstrates how bad money, obtained by the illegal dilution of the quantity of precious metal, ends up by weighing down on internal payments and gets diverted onto the foreign market, causing great harm to the country (Note 34).

For the bullionists, greed was above all the sin of the counterfeiters: a sin against the sovereign, and hence against God. As late as the seventeenth century Gerard de Malynes, invoking a royal bureaucrat as an arbiter, linked the counterfeiting of money to the rates of exchange and the consequent movement of precious metal towards countries in which goods were becoming dangerously cheap. His perspective was the mirror image of the more famous view of Edward Misselden and Thomas Mum (Note 35), which considered the sum of global trade and not the individual country and saw the trade balance as the variable independent of exchange rates and not vice versa (Note 36). Trade, and also the trade deficit, could be managed in a different way depending on what was being imported and what countries you were trading with. The aim to hold in mind, in general at least, was to encourage exports (apart from raw materials) and discourage imports (Note 37).

Under the influence of Aquinas and galleons full of Spanish silver, it could be said that, in the sixteenth century, the theologians of Salamanca were the first to take the leap from *oikos* to political economics, understood as the *bonum commune*. They were not the only ones. In the sixteenth- and seventeenth-centuries, in practice before theory, even mercantilism sanctioned the end of *oikos*, by considering the community as a political actor. It was a community that represented the triumph of a new mercantile class, but which, at the same time, identified with the State, which, in turn, interpreted itself as a great commercial enterprise. For the most part, eyes were turned to the global economy, albeit still in a defensive way, in practice as if the whole identity of a territory, its government, and its subjects—even before its wealth—were based on a positive balance between sales and purchases.

Religious identification still had a lot to do with this feeling. Europe had not resolved the problem of the confessional wars, which in some cases made divisions of faith an economic driving force. In this climate of conflict, where what triumphed was the feeling of persecution both among the Protestants (Note 38) and the Catholics—where everyone, that is, felt they were surrounded by other confessions and religions—the trade balance remained the main obsession of the economy (Note 39). It was a global race, run even by pirates, as not even they, obviously, managed to escape the competition that flew under a different confessional or religious flag (Note 40). But besides pirate economy, what flourished in early seventeenth-century Europe were manufacturing and naval monopolies, State

companies, the laws of navigation, and customs taxes, with the declared aim of guaranteeing that added value that came from the sale of goods and to arrive faster than the competitors (Note 41).

5. Towards a New Paradigm: The Insight of Giovanni Botero

The insight of the ex-Jesuit Giovanni Botero, in this sense, represents a lone voice. If exchanges in the world-system were not a zero-sum game, “reason of State” was not in conflict with the *Relazioni universali* (*Universal Relations* is the title of his work, 1591-1611), except for those relations with heretics and Islam, which could not even be taken into consideration (Note 42). It was possible to look for the wellbeing of a nation without necessarily undermining the prosperity of other Catholic countries. Botero’s works started to untie the knot of cause and effect between the greed of some economic actors and the poverty of others. To put it plainly, it showed the good side of competition.

It was increasingly difficult, at the same time, to speak of an economic community—albeit subject to the logic of the territorial State—without considering the subjects. Because in the meantime, in order for domestic production to prosper, everyone agreed on the fact that it was necessary to have a labour force. In spite of the Tridentine restrictions on marriage, Europe (Germany, for example) encouraged a rise in population. Demography also inspired the mercantilists. There was not the smallest sign that anyone should be afraid of a lack of resources: especially now that new spaces seemed to have been opened up for exchange and conquest. In *Delle cause della grandezza e magnificenza delle città* Giovanni Botero speaks of the “virtù generativa” of the human race, noting that it grows more rapidly than the nutritive power of the earth (Note 43). Botero was certainly not evoking Malthusian proportions *ante litteram*, but rather taking into consideration the idea that the resources destined for the subjects’ survival are limited. His conclusion is not dramatic in its tone: if we should reach the limit, it would suffice to increase production or, in extreme cases, to incentivize a wave of emigration. In the sixteenth century—where the certainty of death even beat the fear of famine—the solution to possible demographic spikes seemed to be at hand: it was enough for someone to move abroad. The problem seems to be the lack of population, not the opposite.

There is something of a cast-iron logic at the basis of these convictions, even though the premises seem to be false. The obsession of the mercantilists for population was not only due to the need for soldiers in a state of permanent war, but rather the idea that the greatest supply of labour is only had when salaries remain at subsistence level. Paying workers more would only deliver them over to the usual capital sins: greed, sloth, lust, and gluttony, to start with. Vice and its consequences were in reality divided between the employer and the manufacturing labourer (or peasant). Not only would the entrepreneur who gave his workers too much be morally responsible for their perdition, but he would see all his labour force lose themselves in the perverse use of their free time and participation in the kind of entertainment found in inns and taverns. If one did not want to see the wealth of the country undermined by vice and the depravation carried out in taverns, then an increase in demand had to be followed by an increase in population (Note 44).

It was certainly a shared belief, but not by all writers in the same way. In the mid seventeenth-century, for example, Josiah Child, though he believed in the policy of low wages, began to consider the possibility of some form of rise. Others went further, linking, that is, remuneration to consumption (Note 45). Almost a century earlier, Giovanni Botero had been an anti-moralistic exception to the logic of the subsistence wage. Like his contemporaries, he realised that there was a relationship between population and production, but he maintained that the purchasing power of a country did not necessarily have to be reduced. He did not give much importance to alcohol: within a nation, money was not only spent on the squalid goods of recreation or on articles of depravity. Cities prospered when people found some form of delight in them (Note 46). Indeed, his positive anthropology is clearly set out: “pleasure and delight are worth less. Because man is born to work and most men are industrious, and the idle are few and are worth little, and their idleness is based on the work and the industry of the busy” (“molto meno vale il piacere e il diletto. Perché l’uomo è nato per operare e la più parte degli uomini attende a negotii: e gli otiosi sono pochi e da poco, e l’otio loro si fonda su l’opera e su l’industria de negotiosi”) (Note 47). The model that Botero had in mind was that of Milan under the Borromeo.

What is more, Botero took the question beyond the specific problem of wages and sided against hoarding and in favour of those “interventi pubblici” which could use the labour force and guarantee the people of an (unspecified) kingdom the possibility of buying the goods that were produced within that country. The importance he gives to public goods goes into detail in a decidedly innovative fashion. No State, he says in the *Ragion di Stato*, has ever fallen into ruin because of a lack of liquidity (Note 48). Those that ruin States, rather, are those like the Spanish who prefer to hoard rather than incentivize the production of goods: “he who has nothing to spend is as poor as he who has nothing to buy” (“tanto è povero colui che non ha da spendere, come colui che non ha robba da comprare”) (Note 49). According to his logic, those expenses are not allowed that do not have the *bonum comune* as their direct aim, such as pomp and ostentation (Note 50). But the king has to spend public money for public goods: to build roads, to make waterways navigable, and to develop agriculture and trade.

In this way, the State can guarantee it will receive a return through the taxes that subjects must pay because “... all reason demands that particular goods serve the public good without which they could not be supported” (“[...] ogni ragione vuole che i beni particolari servano al bene publico, senza ‘l quale essi non si potrebbero mantenere”) (Note 51). Botero admits taxes on goods, but not taxes on people, which oppress the poor and the countryside, and favour the rich and the cities, and in order to hinder the concentration of wealth (Note 52). His criticism concentrates on excessive taxation and the greed of the tax collectors: the sheep must be shorn, not slaughtered.

Everything leads us to think that, unlike the liberalist criticisms of the mercantilists, protectionism was not a fundamental element of Botero’s economic thought. Indeed, he writes that it is not necessary to hinder the flow of money from a kingdom unless its destination is unproductive and takes the place of an investment on national soil (Note 53). Only raw materials are to be protected with customs tariffs:

this is a classic. In general, State intervention in direct economic activities should be limited to three cases: when private actors cannot undertake a large economic enterprise alone (the case of the Portuguese in the Indies); when the activity has great strategic importance (the Venetian State and the spice trade); and when goods that are necessary for society are being bought (wheat during famine, in the face of speculation and stockpiling) (Note 54).

The study of a specific case strengthened his convictions. Thirty years before Mun's initial reflections, Botero minutely analysed Spain's decline, long before it was felt to be such. While England was getting rich thanks to the Dutch rebels fleeing from Philip II's Flanders, Spain, with the senseless expulsion of the *moriscos* and the Jews, had chased away its labour force, and above all the most productive sector of the nation (Note 55). By concentrating on the arrival of silver from the New World, which could not create added value, the Habsburg crown demonstrated that it had no care for its own manufacturing industry, nor for its wool and silk, which it handed over to foreign workers (Italians) or regularly sold abroad because it did not know how to process it; and—an element often neglected by the mercantilists—no care for its agricultural production, which it sometimes entrusted to the French (Note 56). It is clear, however—following the logic of protectionism—that raw materials must not be exported: “not wool, not silk, not wood, not metals, nothing else of this sort, because with raw materials the skilled workers leave too” (“non lane, non sete, non legnami, non metalli, non altra cosa tale, perché con le materie se ne vanno anco via gli artefici”) (Note 57), and with the workers, production and wealth. For Botero, as for many mercantilists, the population and productive capacity of a country enjoyed a positive relationship in both directions. And not even a part of the population should be rejected: the great mass of destitute people who lived around the city were immediately to be used in manufacturing. Indeed, abandoning the charity of almsgiving to create full employment for the poor was only a new interpretation of this theological virtue, not its denial. On this question the Dominican Domingo de Soto, Charles V's confessor and theologian at the Council of Trent, had already expressed a negative opinion. But Botero was writing twenty years after his death and had already seen the first signs of Spain's collapse.

Links with the economic *auctoritates* of the past seem at times to have brusquely broken off. Botero was a paladin of proto-industry, and he pursued the gross national product as his ex-Jesuit companions pursued the Indies: his spirit and rhetorical force were those of the missionary. The second book of the *Grandezza delle città* was dedicated to artisanal and manufacturing production, neglected by Spain, and favoured by Italy and the Flanders, which, thanks to industry, were able to support a large population: in his opinion, “industry advances much more than nature” (“l'industria avanza di gran lunga la natura”) (Note 58). Even when he makes use of old arguments against usury (money is sterile, time belongs to God), he does so to recommend the productive use of money in production and trade, against those who speculate on interest (Note 59).

Indeed, his idea of the productive sphere anticipates what was to come later. The final but significant example is his analysis of the production and circulation of sumptuary goods (Note 60). Two centuries

earlier, St. Antoninus of Florence had distinguished between arts that were necessary, convenient, and luxurious, depending on the goods they produced. In the *Grandezza delle città* Botero reminds us that all three of these contribute to the circulation of goods and money, stating however that those societies which only base themselves on the consumption of necessary goods are destined to ruin, or to move on to goods of convenience, and then luxury (Note 61). It is an insight that Mandeville could have had, and he goes on with examples typical of seventeenth-century England: a kingdom has to attract inventions, innovation, people of talent, and artisans of exceptional capability, with all sorts of prizes and incentives in order to cultivate talent (Note 62). In order to do this, it obviously has to spend money. The prince's treasure is reduced, the State invests. Botero already has a foot in the centuries of the future.

Some economic historians have recently taken another look at the distinction between the “distributive” and “collective” functions of power, applying them to the sphere of economics (Note 63). Distributive functions refer to a zero-sum relationship, in which actors only gain if others lose. Collective functions refer to a positive-sum relationship, in which cooperation between different actors increases their power with respect to third parties (or nature). Botero could already see the difference between the two types of function, and he evaluated their juxtapositions in the context of reason of State: both when they refer to internal borders and when they refer to the context of “universal relations”. When they refer to circumscribed social systems under a single political jurisdiction—the kingdom—then Botero would like to see cooperative functions prevail, and he outlines a system where the wellbeing of the subjects can only increase that of the sovereign, where all loss of treasure is compensated for by general prosperity. Here we can still see traces of the omnipresent Aristotle: the search for the *bonum commune* in a vision of collective salvation is completely devoid here of any apology for mortification, poverty as a value, or the fight against luxury.

In Botero's time, when you look at international political systems, it is normal to see distributive functions as an overcoming of western universalism. What prevailed was the logic of competition based on the balance of goods and payments, in which Reason of State is an aggressive reason that is not afraid to make exceptions when it can see a zero-sum game: in the field of war, trade, or finance. But apart from a healthy fear reserved for the Protestants and Islam, Botero does not appear to be in thrall to this logic, nor does he seem to be obsessed by zero-sum exchanges in relations between States (Note 64). A few years later this was to be a problem for Antonio Serra (Note 65), concerned by the disparity between economies. Perhaps Botero's lack of concern was part of the naivety which preceded economic thought.

Or perhaps not. In the *Grandezza delle città* and the *Ragion di Stato*, Giovanni Botero prefigured comparative logic, as Antonio Serra was to do later. More or less consciously, he was already talking about the “wealth of nations”, its nature and its causes. Perhaps he carried reluctant seeds of a new universalistic dream, which was not the same dream as Europe had had in the past, made up of Empire and Papacy. 1591 saw the publication of the first part of his *Relazioni universali*, a work which was

ambitious to say the least, describing the physical and anthropic characteristics of the counties of the known world (Note 66). Even though he had left the Society, Botero still espoused the Jesuits' vocation: basing himself on an incredibly large network of information, he made curiosity for human variety and non-Western lands and culture into a profession and a science, but also, in some way, an extraordinary utopia (Note 67). In this anthropological dimension, even the space and time of economics seem to broaden out into a thousand ideas of novelty, as confessional constrictions and the obsession for one's own poverty and others' wealth started to disappear.

References

- Albònico, A. (1990). *Il mondo americano di Giovanni Botero*. Roma: Bulzoni.
- Albonico, A. (1992). Le «Relationi universali» di Giovanni Botero. In A. E. Baldini (Ed.), *Botero e la «Ragion di Stato», Atti del Convegno in memoria di Luigi Firpo Torino (8-10 marzo 1990)*. Firenze: Olschki.
- Arrighi, G., & Moore, J. W. (2001). Capitalist Development in World Historical Perspective. In R. Albritton, M. Itoh, R. Westra, & A. Zuege (Eds.), *Phases of Capitalist Development* (pp. 56-75). London: Palgrave Macmillan. https://doi.org/10.1057/9781403900081_4
- Arrighi, G., & Silver, B. J. (2010). *Caos e governo del mondo. Come cambiano le egemonie e i governi planetari*. Milano-Torino: Pearson Italia.
- Davanzati, B. (1588). Lezione delle monete, pronunciata all'Accademia Fiorentina il 1° maggio 1588. In F. Argelati (Ed.), *De monetis Italiae (1750-1759, vol. IV, pp. 157-167)*. Mediolani: Regia Curia.
- Baldwin, J. W. (1972). The Medieval Theories of the Just Price: Romanists, Canonists and Theologians in the Twelfth and Thirteenth Centuries. In J. W. Baldwin, W. Stark, & S. Stein (Eds.), *Precapitalist Economic Thought*. New York: Arno Press.
- Baumgartner, F. R., Breunig, C., Green-Pedersen, C., Jones, B. D., Mortensen, P. B., Nuytemans, M., & Walgrave, S. (2009). Punctuated Equilibrium in Comparative Perspective. *American Journal of Political Science*, 53, 603-620. <https://doi.org/10.1111/j.1540-5907.2009.00389.x>
- Bazzichi, O. (2013). *Economia e scuola francescana*. Padova: Libreria Universitaria.
- Belligni, E. (2016). Descrizione, prescrizione, utopia. Economia e religione nella trattatistica della prima età moderna. In M. Albertone, & C. Carnino (Eds.), *Fede, Mercato, Utopia: Modelli di società tra economia e religione* (secc. XVI-XXI, pp. 23-38). Milano: FrancoAngeli.
- Baldini, A. E. (Ed.). (1992). *Botero e la «Ragion di Stato», Atti del Convegno in memoria di Luigi Firpo Torino (8-10 marzo 1990)*. Firenze: Olschki.
- Botero, G. (1588). *Delle cause della grandezza e della magnificenza delle città libri tre*. Roma: Giovanni Martinelli.
- Botero, G. (1589). *Della ragion di Stato libri dieci*. Venezia: Gioliti (RDS).
- Botero, G. (1948). *Della Ragion di Stato. Con tre libri Delle cause della grandezza delle città; due Aggiunte e un Discorso sulla popolazione di Roma* (L. Firpo, Ed.). Torino: Utet (GDC).

- Braudel, F. (1984). *Civilization and Capitalism, 15th-18th Century, vol. III: The Perspective of the World*. New York: Harper & Row.
- Bruni, L., & Zamagni, S. (2004). *Economia civile: Efficienza, equità, felicità pubblica*. Bologna: il Mulino.
- Buridan (J. de). (n.d.). *Questiones super decem libros Ethicorum Aristotelis*.
- Buridan (J. de). (n.d.). *Questiones super octo libros Politicorum Aristotelis*.
- Julius, K. (Ed). (1974). *Business, Banking, and Economic Thought in Late Medieval and Early Modern Europe. Selected studies of Raymond de Roover*. Chicago-London: University of Chicago Press.
- Czapiewski, T. (2013). The Advocacy Coalition Framework after a quarter Century: Explaining the Policy Process. *Athenaeum*, 40, 47-61.
- Chabod, F. (1934). *Giovanni Botero*. Roma: Anonima Romana Editoriale.
- Child, J. (1668). *Brief Observations Concerning Trade and Interest of Money*. London: Calvert and Mortlock.
- Davies, G. (2010). *A History of Money: From Ancient Times to the Present Day*. Cardiff: University of Wales Press.
- De Bernardi, M. (1931). *Giovanni Botero economista*. Torino: Istituto giuridico della Regia Università.
- De Molina, L. (1593-1609). *De iustitia et iure* (7 vols, pp. 396-410). Cuenca-Antwerp: Juan Masselin-Jeroen Verdussen. vol. II (1597), Cuenca: Ex officina Ioannis Masselini.
- De Moncada, S. (1619). *Discursos*. Madrid: Por Luís Sanchez.
- De Robles (known as de Medina), J. (1545). *De la ordine quel en algunos pueblo de España se ha puesto en la limosna, para rimedio de los verdaderos pobres*. Salamanca: Juan de Junta.
- De Roover, R. (1967). *San Bernardino of Siena and Sant'Antonino of Florence. The two great economic thinkers of the Middle Ages*. Boston: Baker Library.
- De Roover, R. (1971). *La pensée économique des scolastiques: Doctrines et méthodes*. Montreal: Institut d'études médiévales.
- De Roover, R. (1949). *Gresham on Foreign Exchange. An Essay on Early English Mercantilism with the Text of Sir Thomas Gresham's Memorandum for the Understanding of the Exchange*. Cambridge, Mass: Harvard University Press.
- De Soto, D. (1545). *Deliberación en la causa de los pobres*. Salamanca: Juan de Junta.
- Descendre, R. (2009). *L'état du monde: Giovanni Botero entre raison d'état et géopolitique*. Gèneve: Droz.
- Monroe, A. E. (Ed.). (1924). *Early Economic Thought: Selections from Economic Literature prior to Adam Smith*. Cambridge, Mass: Harvard University Press.
- Camacho F. G., & Hernández, R. R. (Eds.). (1998). *El pensamiento económico de la escuela de Salamanca*. Salamanca: Fundación Duques de Soria, Universidad de Salamanca.
- Enthoven, V. (2013). Neutrality: Atlantic Shipping in and after the Anglo-Dutch Wars. In P. J. Stern, & C. Wennerlind (Eds.), *Mercantilism Reimagined: Political Economy in Early Modern Britain and*

- Its Empire.* Oxford: Oxford University Press.
<https://doi.org/10.1093/acprof:oso/9780199988532.003.0015>
- Faral, E. (1946). Jean Buridan, Notes sur les manuscrits, les editions et le contenu de ses oeuvres. *Archives d'histoire doctrinale et littéraire du moyen-âge*, 15, 1-53.
- Ferretti, G. (1992). Sull'idea di civiltà in Botero. In A. E. Baldini (Ed.), *Botero e la «Ragion di Stato»*, *Atti del Convegno in memoria di Luigi Firpo Torino (8-10 marzo 1990)*. Firenze: Olschki.
- Finkelstein, A. L. (2000). *Harmony and the Balance: An Intellectual History of Seventeenth-Century English Economic Thought*. Ann Arbor: University of Michigan Press.
<https://doi.org/10.3998/mpub.16623>
- Firpo, L. (1948). *Introduzione e Nota critica a Giovanni Botero*. In L. Firpo (Ed.), *Della ragion di Stato*. Torino: Utet.
- Frykman, N. (2013). Pirates and Smugglers: Political Economy in the Red Atlantic. In P. J. Stern, & C. Wennerlind (Eds.), *Mercantilism Reimagined: Political Economy in Early Modern Britain and Its Empire*. Oxford: Oxford University Press.
<https://doi.org/10.1093/acprof:oso/9780199988532.003.0010>
- Garnier, H. (1900). *De l'idée de juste prix chez les théologiens et les canonistes du Moyen Age*. Paris: Faculté de droit et des sciences économiques.
- Garin, E. (1952). *L'umanesimo italiano. L'Umanesimo Italiano. Filosofia e vita civile nel Rinascimento*. Bari: Laterza.
- Grice-Hutchinson, M. (1952). *The Salamanca School*. Oxford: Oxford University Press.
- Baron, H. (1988). *In Search of Florentine Civic Humanism: Essays on the Transition from the Medieval to Modern Thought*. Princeton: Princeton University Press.
<https://doi.org/10.1515/9781400859412>
- H. Hauser, H. (1932). *La vie chère au XVIe siècle. La réponse de Jean Bodin à Monsieur de Malestroict (1568)*. Paris: Colin.
- Hales, J. (1549). *A Discourse of the Common Weal of this Realm of England*.
- Ibanes, J. (1967). *La Doctrine de l'Eglise et les réalités économiques au XIIIe siècle*. Paris: PUF.
- Il paradosso francescano tra povertà e società di mercato: Dai Monti di Pietà alle nuove frontiere etico-sociali del credito* (2011). Cantalupa: Effatà Editrice.
- de Malestroict, J. C. (1566). *Paradoxes, touchant les fait de monnaies et l'enche'rissement de toutes choses*.
- de Malestroict, J. C., & Bodin, J. (1568). *Les paradoxes du seigneur de Malestroict sur le faict des monnoyes, présentez à Sa Majesté au mois de mars 1566, avec la réponse de Monsieur Jean Bodin ausdicts paradoxes*. Paris: Martin Le Jeune.
- Kaulla, R. (1940). *Theory of the Just Price* (1st ed.). London: George Allen and Unwin, Die Geschichtliche Entwicklung der Modernen Werttheorien (1906), Tübingen: Laup.

- King, P. (1974). *The Ideology of Order: A Comparative Analysis of Jean Bodin and Thomas Hobbes*. London: Barnes & Nobles.
- Lapidus, A. (1997). Metal, Money and the Prince. John Buridan and Nicholas Oresme after Thomas Aquinas. *History of Political Economy*, 29, 21-53. <https://doi.org/10.1215/00182702-29-1-21>
- Magnusson, L. (2004). *The Tradition of Free Trade*. London: Routledge. <https://doi.org/10.4324/9780203502334>
- Magnusson, L. (2015). *The Political Economy of Mercantilism*. London: Routledge. <https://doi.org/10.4324/9781315694511>
- Malynes, G. (1622). *The Maintenance of Free Trade, according to the three essentiall Parts of Traffique: Namely Commodities, Moneys and Exchange of Moneys, by Bills of Exchanges for other Countries. Or answer to a Treatise of Free Trade, or the meanes to make Trade flourish, lately published*. London: Simon Waterson.
- Maravall, J. A. (1979). De la misericordia a la justicia social en la economía del trabajo: La obra de Fray Juan de Robles». *Moneda y Crédito*, 148, 57-88.
- Meikle, S. (1995). *Aristotle's Economic Thought*. Oxford: Clarendon Press.
- Miskimin, H. A. (1975). *The Economy of Early Renaissance Europe: 1300-1460*. Cambridge: Cambridge University Press. <https://doi.org/10.1017/CBO9780511562693>
- Misselden, E. (1622). *Free Trade and the Means to make Trade flourish*. London: Simon Waterson.
- Misselden, E. (1622). *The Circle of Commerce or the Ballance of Trade*. London: Nicholas Bourne.
- Montchrestien, A. de. (1999). *Traicté de l'oeconomie politique* (F. Billacois, Ed.). Genève: Droz (1^o edition, no title, 1615, Paris).
- Mun, T. (1664). *England's Treasure by Foreign Trade*. London: Thomas Clark.
- Noonan, J. T. (1957). *The Scholastic Analysis of Usury*. Cambridge, Mass: Harvard University Press.
- Nuccio, O. (1984-1987). *Il pensiero economico italiano. I: Le fonti (1050-1450): L'etica laica e la formazione dello spirito economico* (1984, Vol. 3). Sassari: Gallizzi.
- O'Brien, G. A. (1920). *An Essay on Medieval Economic Teaching*. London: Green and Company.
- Oresme, N. de. (c.a. 1355). *Tractatus de origine, natura, iure et mutationibus monetarum*.
- Oresme, N. de. (1371). *Livre de politiques (d'Aristote)*.
- Oresme, N. de. (c.a. 1375). *Livre appelé économique (d'Aristote)*.
- Ortiz, L. De., & Memorial del contador Luís de Ortiz a Felipe II. (1558). *Anales de economia* (M. Fernandez Alvarez, Ed., Vol. 63, No. 1957, pp. 117-200).
- Parsons, T. (1960). *Structures and Process in Modern Societies*. New York: Free Press.
- Perrotta, C. (1988). *Produzione e lavoro produttivo nel mercantilismo e nell'Illuminismo*. Lecce: Congedo.
- Perrotta, C. (2004). *Consumption as an investment. The fear of goods from Hesiod to Adam Smith*. New York-London: Routledge. <https://doi.org/10.4324/9780203694572>

- Pesante, M. L. (2013). *Come servi. Figure del lavoro salariato dal diritto naturale all'economia politica*. Milano: FrancoAngeli.
- Pichetto, M. T. (1992). Le «Relazioni universali» come fonte per la letteratura utopica del Seicento. In A. E. Baldini (Ed.), *Botero e la «Ragion di Stato», Atti del Convegno in memoria di Luigi Firpo Torino (8-10 marzo 1990)*. Firenze: Olschki.
- Pocock, J. G. (1975). *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition*. Princeton: Princeton University Press.
- Polanyi, K., Arensberg, C. M., & Pearson, H. W. (Eds.). (1957). *Trade and Market in the Early Empires: Economies in History and Theory*. New York-London: Free press, Collier-Macmillan.
- Poole, T. (2015). *Reason of State: Law, Prerogative and Empire*. Cambridge: Cambridge University Press. <https://doi.org/10.1017/CBO9781316106099>
- Pribram, K. (1983). *A History of Economic Reasoning*. Baltimore-London: John Hopkins University Press.
- Reinert, S. A. (2011). Introduction. In S. A. Reinert (Ed.), & A. Serra, *A «Short treatise» on the wealth and poverty of nations (1613)*. London-New York-Delhi: Anthem Press. <https://doi.org/10.1093/acprof:oso/9780199988532.003.0016>
- Reinert, S. A. (2013). Rivalry: Greatness in Early Modern Political Economy. In P. J. Stern, & C. Wennerlind (Eds.), *Mercantilism Reimagined: Political Economy in Early Modern Britain and Its Empire*. Oxford: Oxford University Press.
- Ammaniti, F. (Ed.). (2012). *Religion and Religious Institutions in the European Economy, 1000-1800, Settimana di studio dell'Istituto internazionale di storia economica Francesco Datini di Prato*. Firenze: Firenze University Press.
- Rothbard, M. N. (1995). *Economic Thought Before Adam Smith: An Austrian Perspective on the History of Economic Thought* (Vol. I, pp. 97-134). Aldershot (UK)-Brookfield (VT, USA): Edward Elgar.
- Serra, A. (1613). *Breve trattato delle cause che possono fare abbondare li regni d'oro e d'argento dove non sono miniere*. Napoli: Lazzaro Scorriglio.
- Shovlin, J. (2013). Conflict: War and Peace: Trade, International Competition, and Political Economy. In P. J. Stern, & C. Wennerlind (Eds.), *Mercantilism Reimagined: Political Economy in Early Modern Britain and Its Empire*. Oxford: Oxford University Press. <https://doi.org/10.1093/acprof:oso/9780199988532.003.0014>
- Shumpeter, J. A. (1954). *A History of Economic Analysis*. New York: Oxford University Press.
- Stafford W., & Hales, J. (1581). *A Compendious or Briefe Examination of Certayne Ordinary Complaints of Divers of our Country Men in these our Dayes which although they are in some Part Iniust and Frivolous, yet are they all by Way of Dialogues Thoroughly debated and discussed*. London: Thomas Marshe.
- Stuart Mill, J. (1863). *Utilitarianism* (1st ed.). London: Parker, Son & Bourn, West Strand.

- Wallerstein, I. (1974). *The Modern World-System, vol. I, Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*. London-New York: Academic Press.
- Welch, P. J., & Mueller, J. J. (2001). The Relationships of Religion to Economics. *Review of Social Economy*, 59, 185-202. <https://doi.org/10.1080/00346760110035581>
- Zamagni, S., & Screpanti, E. (2005). *An Outline of the History of Economic Thought* (2nd ed., Revised and Expanded). Oxford: Oxford University Press. <https://doi.org/10.1093/0199279144.001.0001>

Notes

Note 1. P. Welch, J. J. Mueller (2001).

Note 2. On deep core and policy core beliefs see especially *Policy Change and Learning: An Advocacy Coalition Approach* (1993). Eds. P. Sabatier, H. C. Jenkins—Smith. Boulder, CO: Westview Press. See also T. Czapiewski (2013).

Note 3. It is basically the idea of a punctuated equilibrium, see F. R. Baumgartner, et others, (2009).

Note 4. Braudel, F. (1984). See also the analyses of Arrighi G., Moore, J. W. (2001). *Capitalist Development in World Historical Perspective*. In *Phases of Capitalist Development*. Eds. Albritton, R., Itoh, M., Westra, R., Zuege, A. London: Palgrave Macmillan.

Note 5. This is the well-known dispute on “cherté” which broke out between Jean Cherruyt de Malestroict (advisor to the king, whose life remained in part mysterious, and who some claim was responsible for supervising the Mint and the *Chambre des Comptes*) and Jean Bodin: see the hand-written response presented to Charles IX by J. C. de Malestroict (1566); J. C. de Malestroict, Jean Bodin (1568). See H. Hauser, *La vie chère au XVI^e siècle. La réponse de Jean Bodin à Monsieur de Malestroict* (1568), Colin, Paris.

Note 6. See J. Hales, *A Discourse of the Common Weal of this Realm of England*, written in 1549 but published under the pseudonym of William Stafford (1581); B. Davanzati (1588); A. Serra, (1613).

Note 7. On economic theories as a paradigm subject to revolutions according to the theoretical model of Thomas S. Kuhn and Imre Lakatos, see, within in a large bibliography, the brief overview by S. Zamagni, E. Screpanti (2005), 3-6, 14. See also E. Belligni (2017), 23-38.

Note 8. On medieval economic thought see the classic works by H. Garnier (1900); E. Garin (1947); J. W. Baldwin (1972); H. Baron (1988). See also I. Wallerstein (1974), 14-65; and L. Bruni, S. Zamagni (2004).

Note 9. See J. de Robles (1545), which is a response to the work by the Dominican D. de Soto (1545), on the question of poverty and almsgiving. See J. A. Maravall (1979).

Note 10. See above all L. de Molina, vol. II (1597), *disputationes* 396-410. For a general treatment on the school of Salamanca see the classic work by M. Grice-Hutchinson (1952) and also M. N. Rothbard (1995), vol. I, 97-134. Among the most famous treatises on economics by the theologians of Salamanca they point out the work on *Contratos y usura* by Francisco de Vitoria (which corresponds to *quaestiones* 77-78 on justice in his commentary on Thomas Aquinas’s *Summa*, c. 1537); the

commentary by Bartolomé de Carranza on *quaestiones* 57-58 of the *Summa* (1540, now re-published in the *Tratado sobre la virtud de la justicia*, Barañán: EUNSA, 2003); the *Comentario resolutorio de cambios* by Martín de Azpilcueta (appendix to the third edition of the *Manual de confesores*, 1556); the *De legibus (Tratado sobre la ley)* by Luis de León (c. 1571); the *Tratado utilísimo y muy general de todos los contratos* by Francisco García (1583); and the *De moneta mutazione (Tratado sobre la moneda de vellón)* by Juan de Mariana (1609).

Note 11. See L. de Ortiz (1558); S. de Moncada (1619).

Note 12. See A. Serra (1613) and A. de Montchrestien (1999) (1^o edition with no title: Paris, 1615), 13-18, 22-41, 66-69, 99-110.

Note 13. See the classical studies produced in Italy in the inter-war period, such as M. De Bernardi (1931); F. Chabod (1934). See L. Firpo, *Introduzione e Nota critica* (1948), 9-32 e 455-69. See also the more recent collection of essays *Botero e la «Ragion di Stato»*, 1992.

Note 14. See G. Botero (1588); in the pages that follow, the work will be quoted from the edition Botero (1948) (henceforth *GDC*). See also Botero (1589); in the following pages the edition that will be quoted from Botero (1948) (henceforth *RDS*).

Note 15. See S. Meikle (1995).

Note 16. On the just price and the interpretations of the pre-modern age see R. Kaulla (1940) (original edition *Die Geschichtliche Entwicklung der Modernen Werttheorien*, Laup, Tübingen, 1906). See also J. Ibanes (1967).

Note 17. On the economy of medieval Europe, in practice, theory, and the changes to the Aristotelian paradigm, see the collection of sources in *Early Economic Thought: Selections from Economic Literature prior to Adam Smith* (1924). See also J. T. Noonan (1957); J. G. Pocock (1975); K. Polanyi (1978). As for the Arabic influence on the Aristotelian and Scholastic paradigm see the opposing theories by J. A. Shumpeter (1954), 12, who basically denies there was any, and the (posthumous) study by K. Pribram (1983), 4 ff.

Note 18. See above all J. Buridan (de), *Questiones super decem libros Ethicorum Aristotelis*, and id., *Questiones super octo libros Politicorum Aristotelis*. For the dating of the manuscripts and the first editions of Buridan see E. Faral (1946), 1-53. The economic treatises by Nicholas de Oresme are the *Tractatus de origine, natura, iure et mutationibus monetarum* (which elaborates a theory of money-goods against the dominant theory of money-sign, and formulates the principle that was to be called *Gresham's Law*), c.a. 1355, translated by Oresme himself into the French vernacular in 1358; *Livre de politiques (d'Aristote)*, 1371, and the *Livre appelé économique (d'Aristote)*, c. 1375. See A. Lapidus (1997), 21-53.

Note 19. See R. de Roover (1971); L. Magnusson (2004).

Note 20. See G. A. O'Brien (1920); H. A. Miskimin (1975). See R. de Roover (1967); *Business, Banking, and Economic Thought in Late Medieval and Early Modern Europe. Selected studies of*

Raymond de Roover (1974). In particular, on the Franciscans and Antonio Pierozzi see O. Bazzichi (2011 and 2013). See O. Nuccio (1984).

Note 21. See A. de Montchrestien (1999), 13-18, 22-41, 66-69, 99-110.

Note 22. King, P. (1974), 87-97.

Note 23. For a recent bibliography on this frame see T. Poole (2015), 1-59.

Note 24. See I. Wallerstein, *The Modern World-System II. Mercantilism and the Consolidation of the European World-Economy (1600-1750)*, Academic Press, New York-London-Toronto-Sidney-San Francisco, 1980, 2-34.

Note 25. 2% was levied on every transaction, see E. Screpanti, S. Zamagni (2005), 25.

Note 26. See *Religion and Religious Institutions in the European Economy, 1000-1800* (2012), 119-413.

Note 27. See C. Perrotta (1988), *Produzione e lavoro produttivo nel mercantilismo e nell'illuminismo*, Congedo, Lecce, 11-13.

Note 28. See J. Stuart Mill (1863), 17-18.

Note 29. See L. Magnusson (2015), 1-12; C. Perrotta, *Consumption as an investment* (2004), 158-178.

Note 30. See L. Magnusson (2015), 15-99.

Note 31. See the essays in the collective volume *El pensamiento económico de la escuela de Salamanca* (1998).

Note 32. See E. Screpanti, S. Zamagni (2015), 27-51.

Note 33. See R. de Roover (1949).

Note 34. See E. Screpanti, S. Zamagni (2005), 32-38.

Note 35. See G. Malynes (1622): this is a response to Edward Misselden (1622 and 1623). See the reply to Malynes by Thomas Mun (1664). See G. Davies (2010), 203-244.

Note 36. On Malynes, Misselden, and Mun see A. L. Finkelstein (2000), 15-99. See E. Screpanti, S. Zamagni (2005), 34.

Note 37. See L. Magnusson (2015), 133-172.

Note 38. *Ibidem*.

Note 39. See L. Magnusson (2015), 15-172.

Note 40. See N. Frykman, 218-240.

Note 41. See J. Shovlin (2013), 305-327; V. Enthoven (2013), 328-347; S. A. Reinert (2013), 348-369.

Note 42. See A. Albonico, *Le «Relationi universali» di Giovanni Botero*, in *Botero e la «Ragion di Stato»*, cit., 167-184; M. T. Pichetto, *Le «Relazioni universali» come fonte per la letteratura utopica del Seicento*, *ibidem*, 185-200; G. Ferretti, *Sull'idea di civiltà in Botero*, *ibidem*, 221-240. See also E. Belligni (2017), 33-38.

Note 43. *GDC*, III.2.

Note 44. See E. Screpanti, S. Zamagni (2005), 36-38.

Note 45. See J. Child (1668). On Child and the debate over subsistence salary in the 17th century see M. L. Pesante (2013), 113-178.

Note 46. See the chapter on *Il Piacere*, GDC, I.6.

Note 47. *Ibidem*.

Note 48. See RDS, VII.10, 234.

Note 49. *Ibidem*, 235.

Note 50. See RDS, VII, 8-10, 231-235.

Note 51. *Ibidem*, 236-37.

Note 52. See RDS, VII. 4, 226-227.

Note 53. See RDS, VIII. 2, 246.

Note 54. See RDS, VIII. 14, 265.

Note 55. This is the chapter that deals with *Della forza* as a cause of the formation of cities or the growth of conglomerations, see GDC, I.3.

Note 56. See RDS, VII. 12, 240-241.

Note 57. RDS, VIII. 3, 249-250.

Note 58. RDS, VIII. 3, 247-249.

Note 59. See RDS, I.15. In the chapter *Della giustizia tra suddito e suddito* della GDC, Botero states that usury is a plague caused by the prince himself when he places his subjects under the yoke of excessive taxation, and he reminds the reader that “la ricchezza del prencipe dipende dalle facultà de’ particolari [i privati]; le facultà consistono nella robba [i prodotti della terra] e nel traffico reale de’ frutti della terra e dell’industria, entrate, uscite, trasportazioni da un luogo all’altro, o del medesimo regno, o d’altri paesi; l’usurario non solamente non fa nissuna di queste cose, ma, tirando a sé fraudolentemente il denaro, toglie il modo agli altri di mercantare” (GDC, I.7, 78).

Note 60. See RDS, VIII. 3, 247.

Note 61. See GDC, I.7.

Note 62. See RDS, VIII. 3, 247 e 249.

Note 63. See T. Parsons (1960), 199-225, also cited in G. Arrighi, B. J. Silver (2010).

Note 64. See R. Descendre (2009), 307-343.

Note 65. See S. A. Reinert, *Introduction*, in A. Serra (2011), 1-85.

Note 66. The other parts of the work came out in 1592, 1594, and 1596 respectively; the fifth part, which remained unedited, was written in 1611.

Note 67. On Giovanni Botero, as a “cosmopoliti e aitaliani [sic]” intellectual against the stereotype of fascist origin of an “Italian” nationalistic man of wisdom, see the positive judgement of A. Gramsci, *Quaderni dal carcere*, Q3.141; Q6.145; Q8.162. See also A. Albònico (1990).